

DEPARTMENT OF THE NAVY

FINANCIAL MANAGEMENT STRATEGY



Our Financial Management strategy that supports the Department of the Navy's enduring priorities: *maintain maritime dominance in defense of our Nation, empower our warfighters, and strengthen strategic partnerships.*

ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT & COMPTROLLER)



Contents

- ▶ **A Message from Leadership**
- ▶ **Our Mission, Vision, and Guiding Principles**
- ▶ **Strategic Goals, Objectives, and What Success Looks Like**
- ▶ **Appendices**
 - Department of Defense Financial Management Strategy FY22-FY26
 - Secretary Del Toro's One Navy-Marine Corps Team: Strategic Guidance
 - Acronyms



A Message from Leadership



Five years ago, we began a journey to better understand and transform our financial operations to support our warfighters and help the Department of the Navy (DON) achieve its mission. Armed with independent insights into our strengths and challenges, we have established an aggressive vision for transforming the DON, including both the Navy and United States Marine Corps (USMC) financial management (FM) operations into a premier institution

and career destination that is aligned with the *Department of Defense Financial Management Strategy FY22-26* and Secretary Carlos Del Toro's *One Navy-Marine Corps Team: Strategic Guidance*. We envision an organization for the future where:

- The FM workforce is inspired, empowered, and nimble to drive innovative solutions for evolving business challenges
- Business processes are standardized, regularly pass audit, and meet or exceed industry standards
- The DON budget is transparent and executed with fiscal discipline and sound stewardship
- Financial operations are executed in modern and secure enterprise Information Technology (IT) systems
- Senior leaders have timely access to accurate financial data and analytics to make decisions based on data

Achieving our goals requires tremendous dedication and collaboration across the DON FM organization and with our partners.

Over the next several months, and with your help, we will embark on the next leg of our journey to operationalize our strategy by releasing a set of two-year priorities. These priorities will empower you with the information you need to be a part of this historic change while remaining committed to the enduring priorities of the DON—***maintain maritime dominance in defense of our Nation, empower our warfighters, and strengthen strategic partnerships.***

I appreciate your commitment to our priorities and I am proud to work alongside each of you.

Alaleh Jenkins
Acting Assistant Secretary of the Navy
(Financial Management and Comptroller)

Achieving this strategy will help us become:

The most agile Chief Financial Office and Comptroller organization in the Department of Defense to drive resource accountability and efficiencies in execution of the DON's mission

An integrated "One FM" team that exemplifies a culture of trust and innovation, where collaboration and diversity are celebrated

Highly regarded stewards of taxpayer dollars with transparent and efficient budget formulation and execution to optimize support to our Sailors, Marines, and civilians

A world-class organization capable of sustaining clean audit opinions

Leaders in using standardized enterprise data and analytics to inform and drive decision-making

The #1 career destination for FM professionals in the Federal Government



Our Mission, Vision, and Guiding Principles

Mission

Lead DON efforts to produce auditable financial statements, execute effective and transparent budgets, consolidate and operate agile financial systems, and comply with financial laws, regulations, and policies, enabling leadership decision-making and ensuring stewardship of taxpayer dollars.

Vision

DON financial operations are executed in modern Enterprise Resource Planning (ERP) systems using standardized business processes, with internal controls tested annually based on risk. The DON budget is transparent and executed with fiscal discipline. Senior leaders have access to accurate and timely financial and logistics data, enabling informed decisions. The FM workforce is inspired, dedicated, and challenged.

Guiding Principles

- **Leadership:** We facilitate accomplishment of the mission by communicating a clear vision of expectations, goals, and policies, while providing a perspective on how these align within the organization
- **Diversity & Inclusion:** We encourage, celebrate, and foster the diverse voices of our organization, driving innovation and promoting an inclusive culture where team members feel empowered to bring their authentic selves and experiences to work daily
- **Trust:** We promote trust through active listening and open communication to provide clear direction and unified understanding
- **Transparency:** We prioritize timeliness and courtesy in our communications both internally and externally
- **Innovation:** We foster innovation and creativity to solve problems and quickly adapt to emerging needs



Strategic Goals, Objectives, and What Success Looks Like

*These five strategic goals will govern the
DON's financial management priorities*



STRATEGIC GOAL #1

Enhance our highly skilled and engaged FM workforce to support DON's mission

People are DON's #1 asset and critical to achieving the DON FM mission and vision. We must invest in our people through the development of a broad set of skills—beyond financial skills—that include data analytics, systems, and automation. An empowered workforce with technical and leadership skills will provide the innovation needed to deliver high value activities that empower our FM workforce.

What Success Looks Like: A workplace where DON FM is the #1 career destination for FM professionals and our workforce is highly engaged with a diverse set of skills that drives our mission and helps us realize our vision.

Objectives

1.1: Recruit and retain a diverse, empowered, and high-quality FM workforce of the future

Identify hiring needs, required skills and competencies to inform hiring priorities and recruitment plans. Increase retention of a high-quality FM workforce through rewards and recognition, leadership development, promotion opportunities, and skills development.

1.2: Strengthen and diversify DON FM workforce knowledge and skills

Define emerging technical and leadership skills to meet future needs, and review and revise professional development guidance to include relevant certifications.

1.3: Build a culture of innovation to enable workforce efficiency

Establish a culture that encourages new skills and ways to solve problems and uses automation and shared services to perform routine transactional actions, allowing the workforce to focus on higher-value activities.

Objective	How to Measure Success
1.1 Recruit and retain a diverse, empowered, and high-quality FM workforce of the future	Lower attrition rates with improved metrics on career progression and promotion. There is a reduction in time required to fill vacancies to effectively reduce the risk of mission disruption to the FM workforce. Our employee engagement scores in culture surveys increase as a result of investments made in our workforce.
1.2 Strengthen and diversify DON FM workforce knowledge and skills	Increase the breadth and depth of training content for the FM community, including analytics, Blockchain/Artificial Intelligence, and emerging technologies to prepare the workforce for the future. Increase the number of professionals with FM certifications.
1.3 Build a culture of innovation to enable workforce efficiency	More time focused on solving complex challenges instead of performing manual processes. The Robotics Process Automation Center of Excellence is scaled across the organization to rapidly increase the pace of automations.



STRATEGIC GOAL #2

Standardize DON business processes and strengthen internal controls to improve accountability

Standardized processes and effective internal controls will create an auditable financial and IT environment that mitigates mission risk, increases readiness, and most importantly provides a secure foundation to enable accountability and affordability. A robust internal control environment will also uphold public trust of the DON as accountable stewards of government resources.

What Success Looks Like: Fully transformed financial management environment built on consistent, secure, and reliable operations that enables attainment of an audit opinion on the DON financial statements.

Objectives

2.1: Reengineer and optimize business processes

Transform financial operations by reengineering business processes to address root causes of issues and remediate audit findings. Deploy innovative technology solutions such as robotics process automation and advanced data analytics to optimize operations.

2.2: Strengthen and sustain internal controls

Implement processes, policies, and solutions that strengthen and sustain DON’s control environment to increase oversight and monitoring to effectively manage risk.

2.3: Improve financial reporting compilation and the fidelity of underlying financial data

Demonstrate to both external and internal auditors that financial transactions are complete, accurate, and reliable. Standardize financial reporting roles and responsibilities through increased information and communication to improve the quality of the financial reporting process and underlying data.

Objective	How to Measure Success
2.1 Reengineer and optimize business processes	Sustain remediation efforts for critical material weaknesses (such as Fund Balance with Treasury, Financial Reporting, Property, Plant, & Equipment) issued by the Independent Public Accountant (IPA), allowing the USMC to achieve a positive audit opinion in FY 2023 and the Navy to achieve an opinion in FY 2028. Implement enterprise-wide transformational changes to facilitate standardized transaction processing (e.g. Treasury Direct Disbursing and G-Invoicing) and reduce reliance on manual processes, improving the reliability of data.
2.2 Strengthen and sustain internal controls	Embrace a culture of internal controls to proactively manage risks, drive accountability and discipline, allowing the DON to achieve its mission objectives. Earlier detection and mitigation of mission risks significantly increases mission success and reduces likelihood of unplanned challenges.
2.3 Improve financial reporting compilation and the fidelity of underlying financial data	Reconcile the Universe of Transactions in Advana / Jupiter, the central repository for accounting transactions. DON’s General Ledgers contain accurate financial data compliant with federal regulations that result in fewer manual adjustments to the General Ledger and financial statements. Increase the number of material line items validated as “audit ready” by the IPA.



STRATEGIC GOAL #3

Optimize stewardship and trust in the DON's budget process

Trust in DON's stewardship of its resources is foundational to good governance. Improved performance and transparency provides the American people, Congress, and warfighters confidence in DON's ability to develop realistic budgets and properly execute taxpayer dollars.

What Success Looks Like: Decisively managed and executed funds throughout the echelons of DON, with deliberately placed program controls and improved visibility that facilitate sound fiscal stewardship, exceptional resource management, and increased responsiveness to dynamic operations.

Objectives

3.1: Reform the DON Planning, Programming, Budgeting, and Execution (PPBE) process

Implement and integrate the PPBE process to maximize buying power and effectively address the DON's mission and priorities. Utilize Advana / Jupiter as the single source of truth to increase transparency and proactively manage the DON's budget execution. Increase the use of data analytics to support budget and resource allocation, informing investment and divestment decisions and perform tradeoff analyses.

3.2: Improve operational responsiveness of DON's budget process

Work closely with the FM and acquisitions, logistics, and operational communities to accelerate responsiveness to dynamic operations, allowing DON FM to fund emerging and changing program requirements and support our warfighting capabilities while driving transparency in the

Objective	How to Measure Success
3.1 Reform the DON PPBE process	Enhance insight into funds management and provide a higher understanding of the root causes of unexpended funds to proactively improve budget execution and reduce the percentage of funds returned to Treasury. Accelerate the use of Advana / Jupiter to serve as the single source of truth to support the budget process.
3.2 Improve operational responsiveness of DON's budget process	Implement innovative budget tools that facilitate DON FM's ability to respond quickly to new program requirements that tie to DON's mission. Increase visibility into budget execution to proactively monitor funds execution and increase DON's buying power for the warfighter.



STRATEGIC GOAL #4

Consolidate DON financial systems and enhance cybersecurity controls to improve data integrity

A modern systems environment replaces disparate components and reduces a need for manual intervention. An agile architecture supporting an efficient network of applications, services, suppliers, and capabilities will allow DON to innovate readily, pivot rapidly and automate business processes.

What Success Looks Like: An agile systems environment that can evolve quickly to meet changing needs, produce timely and valuable information for decision-makers, and eliminate or rapidly resolve issues, minimizing the burden on Sailors, Marines, and civilians.

Objectives

4.1: Optimize the FM systems architecture through consolidation and system reduction

Simplify DON FM systems and operations by consolidating financial systems into modern ERPs, including Defense Agencies Initiative (DAI) for USMC and Navy ERP. Reduce the number of feeder systems to improve data quality, minimize cybersecurity risks, and increase DON’s ability to adopt new functionality to meet emerging business needs.

4.2: Enable delivery of the FM system portfolio through an improved governance structure

Complete a full review of systems governance, interoperability, and policies to facilitate decision-making and maximize business processes and systems functionality.

Objective	How to Measure Success
4.1 Optimize the FM systems architecture through consolidation and system reduction	Consolidate into two DON General Ledgers and decommission legacy feeder systems to streamline the DON’s systems environment. Increase compliance with Federal Information Technology standards, including the Federal Information System Controls Audit Manual and Federal Financial Management Improvement Act.
4.2 Enable delivery of the FM system portfolio through an improved governance structure	Reduce the backlog of requirements and software development requests through integrated governance structure between stakeholders. Document a structured governance for the FM systems portfolio to facilitate decision making.



STRATEGIC GOAL #5

Leverage data analytics to improve DON financial operations

Data is at the core of everything we do. Harnessing the power of data analytics through Advana / Jupiter is imperative to improving our financial operations. Accurate analytics at the speed of relevance will facilitate our financial transformation.

What Success Looks Like: Real-time access to consolidated financial information to enable decision making.

Objectives

5.1: Instill trust in FM data through governance and transparent standards

Build trustworthy and reliable FM data sets through transparent data standards and improved data quality. Establish a FM data language in line with standards and policy. Increase the availability of real-time data to support agile decision-making using Advana / Jupiter.

5.2: Ensure analytics and metrics can rapidly evolve to meet the demands of changing operations

Expand and deploy analytics prioritized to meet the most pressing business and audit needs. Provide built-in accelerators to automate data capture, integration, cleansing, and normalizing to keep pace with evolving requirements and ensure standardized, consistent information.

Objective	How to Measure Success
5.1 Instill trust in FM data through governance and transparent standards	Publish a set of data standards and implement data governance across DON FM that aligns with Department of Defense and Treasury standards. Improve data quality and reduce the number of manual corrections required to fix data quality issues.
5.2 Ensure analytics and metrics can rapidly evolve to meet the demands of changing operations	Reduce time spent preparing information and increase time spent communicating / acting on data. Make decisions based on real-time data that can inform strategic decision making. Real-time access to visualizations that are easily adapted to emerging needs.



Appendices



Appendix A: Department of Defense Financial Management Strategy FY22-FY26 & Secretary Del Toro's One Navy-Marine Corps Team: Strategic Guidance

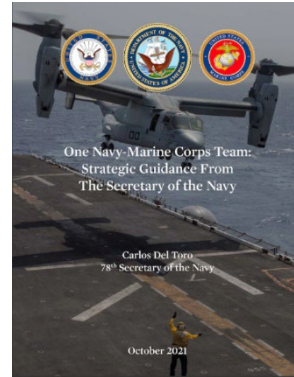
Secretary Del Toro launched the *One Navy-Marine Corps Team: Strategic Guidance* on October 8, 2021. The Office of the Secretary of the Defense (Comptroller) launched the *Department of Defense Financial Management Strategy FY22-26* on March 9, 2022.

Our DON FM Strategy is fully aligned with both of these documents.



The Department of Defense Financial Management Strategy FY22-26

Link: [Department of Defense Financial Management Strategy FY22-26](#)



Secretary Del Toro's One Navy-Marine Corps Team: Strategic

Link: [Secretary Del Toro's One Navy-Marine Corps Team: Strategic Guidance](#)

Appendix B: Acronyms

Acronym	Meaning
ASN (FM&C)	Assistant Secretary of the Navy, Financial Management and Comptroller
DAI	Defense Agencies Initiative
DON	Department of the Navy
ERP	Enterprise Resource Planning
FM	Financial Management
FM&C	Financial Management & Comptroller
FY	Fiscal Year
IPA	Independent Public Accountant
IT	Information Technology
PPBE	Planning, Programming, Budgeting, and Execution
USMC	US Marine Corps

The FM Strategy will be reviewed annually and updated, as needed. Proposed changes will be vetted through DASN, PDASN, and ASN (FM&C) leadership.

Revision History

Version Number	Approved Version Date	Nature of Revision	Approved By
1.0	March 8, 2022	DON FM Strategy	Ms. Alaleh Jenkins, Acting ASN FM&C

